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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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Second Five-Year Plan

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1. In early April 1955, the Main Department for Planning, a central department in the East German Ministry for Machine Construction, was ordered by the State Planning Commission to establish new suggestions for the planning of production during the second Five-Year Plan period (1956 through 1960). In early January 1955, this department, in cooperation with the State Planning Commission, worked out a preliminary plan.¹ According to the January 1955 plan, gross production in 1960 of all enterprises under the jurisdiction of the Ministry for Machine Construction was to amount to 134.3% of 1955 gross production. This relatively small production increase over a period of five years corresponded to the slow increase of production experienced in 1954 and planned for 1955. The April 1955 order to the planning department, however, stipulated that new provisional plans were to be worked out with higher increases of gross production. Two new versions of a provisional plan were to be established:
 - a. A version in which 1960 gross production was to amount to 150% of 1955 gross production.
 - b. A version in which 1960 gross production was to amount to 175% of 1955 gross production.
2. Regarding the version with a 75% increase by 1960 over 1955 gross production, the order to the Main Department for Planning specified that this project should be worked out taking into consideration the following two possibilities: increased production was to be reached either through a 50% increase of work productivity (Arbeitsproduktivitaet), or through the supplying of sufficiently high investment funds. It was specified at the same time that the considered increase of work productivity could normally only be reached through an increase in work norms. While this increase was still a disputed issue, the order plainly stated that during the second Five-Year Plan period an increase in work norms would no longer be the subject of dispute.

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3. The order further specified that the head of the Main Administration for Planning, Herbert Belitz, was to travel to Moscow as soon as the two new versions of provisional planning were completed, and present all three versions (including the version of early January 1955) to unspecified Soviet authorities. The ultimate decision regarding the final planning version for the second Five-Year Plan period was to be reached in Moscow, taking into consideration the long range planning problems of all East Bloc countries. In particular, Belitz' trip to Moscow was to decide as to whether increased production during the second Five-Year Plan period was to be based mainly on an increase of work productivity (work norms), or on an increase of investment funds.

Comment:

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Belitz' scheduled trip to Moscow is quite out of the ordinary. In the past, Soviet desires concerning production planning were settled between the State Planning Commission and the Soviet High Commission in Germany. This is the first time that the head of the planning department of a Ministry has been called directly to Moscow for the settlement of important production planning issues. It is believed that this new practice is a part of an overall effort on the part of the USSR to assume more direct leadership in the overall production planning of all East Bloc countries.

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2. Comment: Perspektiv-Planung

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